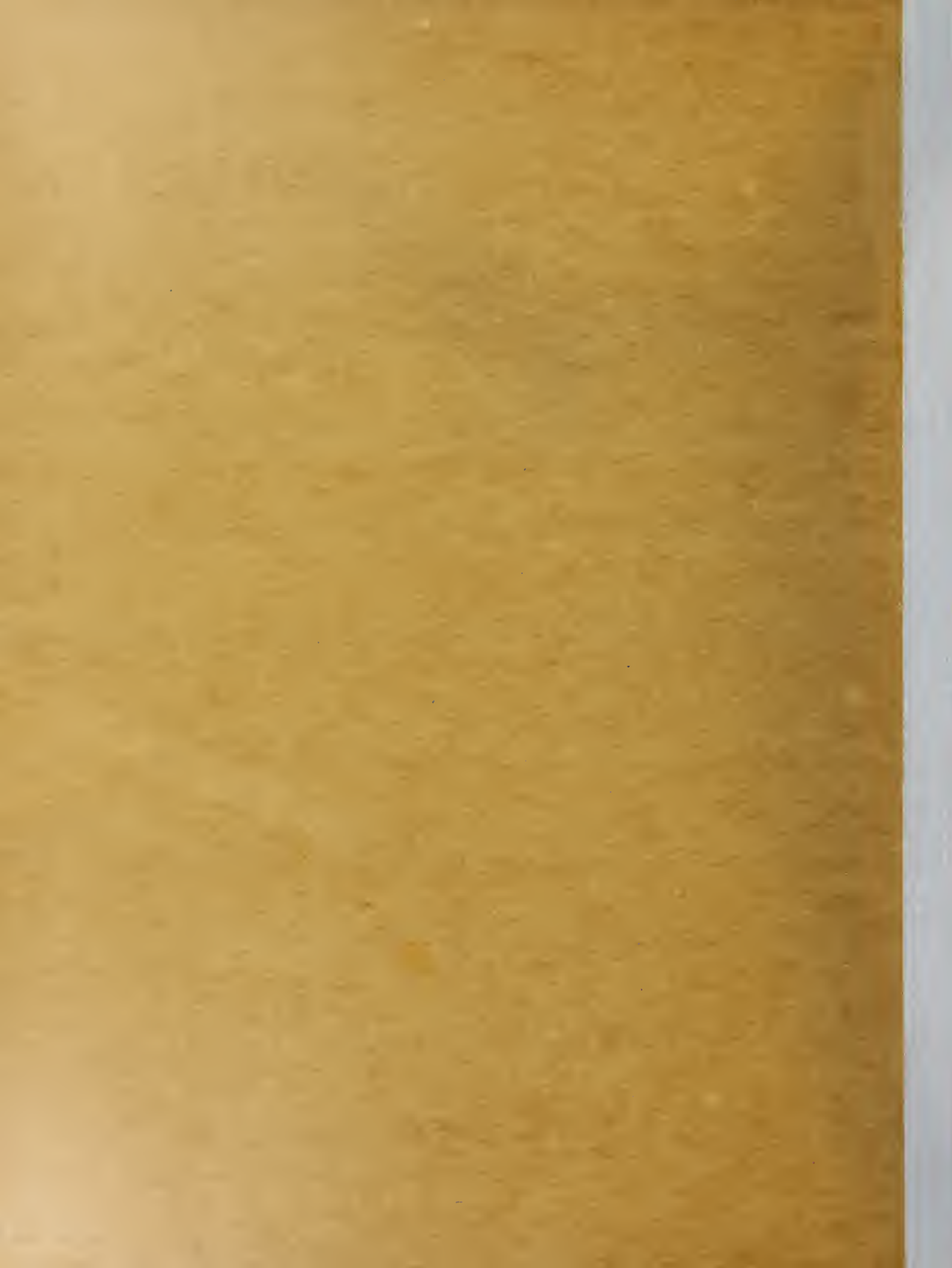



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Illinois--State Housing Board.

The Illinois State Housing Board tells  
the Kewanee story.





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*The Illinois State Housing Board tells the*

**KEWANEE** . . . . .

# *Story!*

Kewanee, Illinois, is known throughout the world wherever fine boilers are used. That's because imaginative and energetic persons make and sell the boilers. The same persons also join their talents to those of their neighbors in boosting Kewanee's general interests. As a consequence Kewanee not only has talked, as many other communities have, about supplying houses to veterans, it has supplied them. This is the story of how the job was done.

It is a success story of course. But it is liberally paragraphed by recitals of trials and threats of failure. That's what makes it interesting and worth telling.

It's the story of persons who know from experience in private affairs that all large undertakings present hazards and unforeseen problems. They know also that when the butcher, the baker and the candlestick maker turn from their trades momentarily to try their hands at carpentry, so to speak, there's likely to be some mashed thumbs. But if it's carpentry that's needed to promote the town's welfare and there's no one else to supply it, the butcher, the baker and the candlestick maker are just the lads who'll undertake it in Kewanee, mashed thumbs or no. Also, they're the kind of folk who are willing for others to benefit by their experience. Hence this story.....with their permission.

Kewanee was never a town for speculative building, growing slowly and steadily before the war without the flourish of huge developments. But never had its population jumped approximately 20 per cent in the span of six short years as it did between 1940 and 1946. With its leading industries accelerating their production for the war effort and adding employees; with no building possible to keep abreast of growth under war conditions; and with war veterans returning to join wives and families in some instances, and to marry and start families in others, the town really was caught with its houses down. Of course a lot of other towns were equally embarrassed, but Kewanee did something about it.

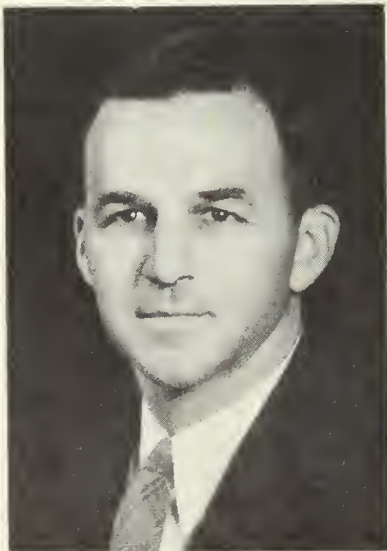






Philip D. Adler.....chairman,  
Kewanee Post War Planning  
Committee ..... publisher,  
Star Courier.

Robert P. Hatcher.....president,  
Kewanee Homes, Inc.....manager,  
Kewanee Coca Cola Bottling Works



It's foresighted citizens began their doing as early as 1943 when a Committee for Post War Planning was organized under the leadership of Philip D. Adler, newspaper publisher. Homes and an expanded sanitary system to take care of them were major items on the Committee's agenda. The work was assigned to a couple of subcommittees. Expansion of the sewer and water system was promised the aid of the City Council under the aegis of Mayor Fred Brown. Private financing was required for the housing. A start upon it was made by formation of a non-profit corporation called Kewanee Homes, Incorporated. It was financed initially by industries, merchants, and the A. F. L. and C. I. O labor unions. Sparked by Robert P. Hatcher, manager of the Coca Cola Bottling Works, the committee raised \$17,000 for the corporation. With this capital, the corporation started business.

It began with the natural and generally logical assumption that to supply housing the purchase of land comes first. For only \$1,900, or about \$111 an acre, a beautiful site of 17 acres of rolling terrain was bought on the outskirts of town. On the usual subdivision plan of four or five lots to an acre, it certainly was cheap.....perhaps. With the land bought, attention turned to the next apparently necessary step, preparation of the site for houses. That meant installation of storm and sanitary sewers, water mains, curb and gutter, pavement and sidewalks, with the necessary grading. A bit of quick arithmetic indicated that considerably more than the remaining \$15,100 would be required.....right considerably more. It was observed that producing housing is a somewhat complex deal requiring money in quantity. For understanding of the next steps taken, the story has to digress briefly to the Illinois state housing program established under the Housing Grant Act passed by the General Assembly in 1945.

Significant to this narrative was the General Assembly's appropriation of \$10,000,000 for housing. This money was to be distributed to counties and cities by the State Housing Board upon application by local Housing Authorities, who could not then spend it, however, without the Board's approval.

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The amount available to an Authority was based upon the population of the Authority's area of operation. While the money was intended for slum clearance the law was sufficiently flexible for the State Housing Board to devise a housing development program in this period of acute general housing shortage that made it imperative to produce new housing and defer slum clearance.

Lacking the necessary population to create a Housing Authority of its own, Kewanee had nevertheless in an earlier foresighted move, seen that one was created for Henry County, in which the city is located. The Henry County Authority had built and was operating a 125-unit federally-aided low rent project and had a staff. The chairman of the Authority is Arthur Cook, treasurer of the Kewanee Boiler Company in 1945 but now retired. Notified by the State Housing Board that \$55,460 was available to the Henry County Housing Authority for use anywhere within Henry county for, among other things, relief of the housing shortage if private builders could not or would not build, Mr. Cook took the problems of the Kewanee Homes, Incorporated to the State Housing Board. Certainly, he was informed, the state grant could be applied to help in the venture.

The plan sketched out to him by Temple McFayden, chairman of the Board, was that the Authority could accept title to the site from the non-profit corporation. The Authority could then spend its money to install the necessary site improvements and then deed the improved site back to the corporation under terms of an agreement that provided for compensation of the Authority for the cost of the improvements and land, out of money obtained by the corporation in the sale of completed homes to veterans. By this maneuver, McFayden explained, the

expenditures of the Authority created an equity in the property that, together with the money that the corporation already had, would be adequate security on which a financial institution could obtain insurance from the Federal Housing Administration against loss upon a loan to finance construction of houses. To Mr. Cook it sounded like a good deal and he hurried to communicate the plan to his townsmen.



(above) Temple McFayden, chairman of the State Housing Board releases a \$55,640 housing grant to the Henry County Housing Authority. At the presentation are (left to right) Clifford Dean, Treasurer; McFayden; E. A. Schneider, Executive Director; Arthur Cook, Chairman; and Commissioner Clayton Humphrey.

(Right) The first site purchased....

17 acres of rolling terrain, for \$1,900.





There was one admonition McFayden gave him that turned out to be significant. Before getting involved in site development, he advised there should be determination of house plans and cost of the final package complete to the veteran, house and lot fully improved. Thinking in terms of the incomes of the families they wished to serve and the prices that prevailed prior to the war, Mr. Cook and his associates had in mind a complete price of about \$6,500 to \$7,000 for the type of dwelling they planned to produce.

McFayden's suggestions found ready acceptance among Mr. Cook's associates on the Housing Authority: Commissioners Philip D. Adler, C. W. Dean, B. E. Sommers, and C. E. Humphrey. Directors and officers of Kewanee Homes, Incorporated happily assented to stipulations required to be met to effect the plan. Procedures were set in motion, among which was election to the corporation's directorate of four of the Commissioners of the Authority. In high spirits the directors employed architects and engineers to prepare site plans and design houses. Designing and engineering went on through the winter of 1946-'47 and plans went out for bids in the spring. When the bids came in, jaws and spirits of everyone plummeted. The \$6,500 idea was about \$2,500 short of the reality. The lowest bid was about \$9,000 per unit.

The principle stumbling block to economy was the "cheap" land. Its rolling topography, while presenting pleasing prospects, required too much excavating and earth moving to realize the building possibilities. Splendid for luxury homes but not for the corporation's purposes. The houses also ran higher in construction costs than all had anticipated. Instead of being able to build, the corporation found itself possessed of a site and a set of fine plans that appeared valueless in the program. It had mashed its thumbs rather severely.

Analysis of their plight showed the directors that while they had banged their fingers, their financial injuries were not fatal. They had the land and probably could dispose of it for as much or more than they paid for it. Furthermore, the Housing Authority's funds were still intact; a right tidy sum on which to base further consideration of their objectives.

(LEFT) A second site of 15 acres was selected. (RIGHT) Kewanee Homes, Inc. breaks ground, August 1, 1947.







Before winter set in, cement slabs for the basementless homes were poured  
....and the ribs of housing framework rose on each of the two sites.

Their first move was to find a site or sites more adaptable to their program. They took options on three and then called upon the State Housing Board for advice. Chairman McFayden, thoroughly interested in their program and problems, personally investigated the sites and approved two of them, subject to their acceptance by the Federal Housing Administration for loan insurance. The two, about a block and a half apart, aggregated 15 acres. Together with some buildings on one of them they could be bought for about \$20,000.

With these sites optioned and locally approved for development, representatives of the corporation, at McFayden's suggestion, met with him at the office of Robert E. Terhune, District Director for the Southern Illinois District of FHA, in Springfield. Terhune at once took a personal interest in the project and directed that all facilities of his office be applied to helping in every way consistent with FHA procedure. The Kewanee group toured some small home developments in Springfield and being much impressed with one type of dwelling that appeared most suitable to their plans, they called upon the builders. These builders, Barker, Goldman & Lubin, doing business as General Builders Company, were invited to inspect the sites and plans in Kewanee. From this emanated a thorough study of the Kewanee problem that resulted in complete scrapping of the original plans and adoption of a proposal for submission to the State Housing Board.

General Builders Company submitted a firm bid to construct 72 dwellings, identical in floor plan but with five variations in elevation, for a total of \$476,820. Each house has two bedrooms, a combined living-dining room area, fully modern kitchen, bath, and large utility room that replaces a basement. An oil burning warm air heater and automatic hot water heater share space with the laundry area in the utility room. There is storage space in the attic of each house. Garages for eleven dwellings were included in the development contract. General Builders Company arranged the financing and carried the insurance during the construction period. With FHA approval stamped upon the project and financing arranged, the State Housing Board approved the use of the Authority's state grant funds. Production of the houses started August 1, 1947.



Early in the Spring following, roofs were being finished, and a housing dream was becoming a reality.



Eastlawn...a growing subdivision of 48 individual homes is readied for public inspection.

In the meantime the General Assembly had met again and passed additional housing legislation, including another appropriation from which Henry County was eligible to receive \$36,401. The state-wide appropriation for housing production by Housing Authorities was but two-thirds of the 1945 total grant, which accounts for the lesser amount available in Henry County the second time. This money was needed to conduct the program on both sites and a check was delivered to the Housing Authority in December of 1947. The two grants from the state totalled \$91,881. This financing was the base upon which was erected the operational structure to produce a combined project embracing the two sites at a total cost of approximately \$589,000 exclusive of the investment in the discarded plans by the original subscription fund. That also is exclusive of \$42,000 invested by the city from motor fuel tax funds in perimeter streets for the larger of the two sites. The subdivisions were named East Lawn and West Lawn. East Lawn contains 48 houses and West Lawn has 24 of those erected by General Builders Company. An old house was bought along with some other buildings on the East Lawn site and was remodeled, bringing \$8,300 when completed and making a total of 73 houses in the project.

Using a basic  $4\frac{1}{2}$  room floor plan, five exterior designs were blueprinted by the builders. Depending upon design, a garage and the size of lot, the house-lot package costs varied from \$7,425 to \$8,300 per unit.







Each of the Kewanee homes were built to meet strict FHA requirements to provide ultimate veteran buyers with grade "A" construction, and also to facilitate him with better financing.

There was enthusiasm and elation throughout Kewanee when the ribs of housing framework rose on the two sites. People flocked out to see the houses on the weekends during the early months of construction. After one heavy Sunday's traffic, a watchman commented that "it looked like the county fair." But another of the trials of the development was in the making. It appeared that not everyone was pleased about it. Whispers began filtering through town about the "small" and "basementless" houses, slurring their quality and the "high" price. Interest began to fall off among potential buyers. Official cognizance of the situation was taken at a dinner given on the eve of completion of the dwellings early in June. Representatives of the State Housing Board were present and the discussion centered on steps to be taken to "move" the houses, for all were practically complete and none were sold.

It was recognized that there had been an error in publicly estimating lower costs than could be achieved on the new levels to which housing costs had risen. Families who had expectantly anticipated buying the homes at lower prices, with their ideas of value still conditioned by prewar markets, were disappointed. There was some feeling that prices still were feeling the "war pinch" and would recede.

The week of the "open house" 6,000 visitors view the houses including Rock Island's (L to R) A. J. Hinckley, H. J. Mason and Mayor Melvin McKay, escorted by Kewanee's Arthur Cook.





Though disgruntled with conditions they were living under, many families had something of a wait-and-see attitude, but were vociferous about the absence of accommodations that would permit undoubling and moving from undesirable situations.

Expenditure by the City of \$42,000 to build the perimeter streets at East Lawn reduced costs to veterans by about \$620 per dwelling. Assumption by the City of this expenditure was an expectation of annual tax revenue in excess of \$5,000 from the housing. The City also had agreed that the developments would be credited with all future tap-in fees collected along the sewer and water extensions made by Kewanee Homes, Incorporated past other property in connecting with established city services that were some distance from the two sites. This meant some reductions in cost. In conformity with the Post War Sewer Committee program, the City agreed to pay 10 per cent of all sewer connections to the main stem, as well as 25 per cent of all water main construction.

To encourage sales, arrangements were made for a "grand opening" display to continue all through the week of June 6, 1948. Three of the new dwellings were completely furnished by Kewanee furniture and electric appliance dealers. The Star-Courier of Kewanee co-operated with an intensive publicity campaign in advance of the formal opening at 1 p. m. on Sunday, the sixth. The crowds poured through the houses, with visitors coming from as far away as Rock Island and Galesburg. Veterans were advised that the dwellings would be held for 30 days to give them opportunity to arrange to buy, before letting anyone else take them. Both the FHA and the Veteran's Administration would guarantee loans for veterans and they would be required to make down payments of no more than 5 per cent of the total cost. But among 6,000 visitors in the first week, only 10 houses were sold. The "open house" was extended into a second week, as inferred, but sales did not increase precipitately.

One of the reasons for the slowness of sales at the beginning, according to E. A. Schneider, business manager for the corporation and Executive Director of the Housing Authority, was opening of the houses before F.H.A. and V.A. appraisals were complete.

Dean Stonier, one of the first families to move into the Eastlawn development.



It was near the end of July before the exact amount of down payment and monthly mortgage loan payment could be given to the prospective buyers on the basis of the appraisals. Schneider also says that it would have been helpful to have moved some families into the project much earlier and have let them relate their reactions to life in the new homes to the visitors. Through the summer and early fall, Schneider and Miss Katherine Moore, bookkeeper and accountant on his staff, doubled as salesmen for the homes. Only 38 homes were sold, however.

Meanwhile, this state of affairs produced another unforeseen financial difficulty. There was settlement to be made between the amount of the construction loan and the contract price, and there was interest to pay on the money that financed construction of the unsold dwellings. It had been anticipated in the beginning that many if not most of the homes would be sold and these matters disposed of before completion. It is customary procedure in building operations.

Again the interest of Kewanee citizens in the general welfare of their town showed itself. William Calhoun, long a resident of Kewanee but not previously connected with the project, walked unexpectedly into Arthur Cook's office and gave him a check for \$10,000 on an unsecured note ".....just to help tide the project over." He had a lot of faith in it and was impressed by its potentialities. Within 72 hours another check for \$10,000 was in Mr. Cook's possession, given by Emerit E. Baker, Incorporated, a private endowment fund that has invested a lot of money in the general welfare of Kewanee. Another thumb bruise was healed.

Soon afterward, at the request of Kewanee Homes, Incorporated, the State Housing Board gave assent to listing the houses with the local real estate dealers. This apparently was all that was needed to break sales resistance, for the last of the new dwellings was sold just before Christmas Day, 1948.

With the signing of the last deed in prospect, another dinner was staged to celebrate the completion and liquidation of the development. All of the members of the Henry County Housing Authority and of Kewanee Homes, Incorporated attended.

Representatives of the State Housing Board were invited guests. Step by step the entire experience was reviewed and accomplishments weighed against errors. They found that as figurative butchers and bakers and candlestick makers turned to carpentry temporarily, they had produced 73 houses that veterans bought for \$7,425 to \$8,300 with a 60 foot lot. The higher priced places included a garage and usually a corner or other lot larger than average.



Fred Kindle, local landscape gardener has "help" in planting early shrubbery around some of the Kewanee homes.



The down payment amounted to an average of \$371.25 for the smaller and \$415 for the larger houses. Monthly mortgage payments average \$48 for combination FHA and VA guaranteed loans. Nearly 85 per cent of the houses are financed by these loans.

It was Temple McFayden's observation that the houses are a bargain in today's market, his comment being based upon his knowledge of costs throughout the state.

It was agreed that figuratively the corporation's thumbs had been whacked several times, but it was unanimously assented that each man participating had derived a lot of compensation in knowledge of a very needful job being done. It was a job that would not otherwise have been done, because it was too large an undertaking for individuals and it was apparent that some thumb mashing would occur to whoever ventured to handle the problem.

Out of the sale of the first site the Corporation has recaptured the money spent for it, and out of the sale of all of the new houses the Authority has recovered its money and has it as a revolving fund for further projects. Mr. Cook indicated possibilities of another program in 1949...."but not as big and with fewer mistakes."

The Commissioners of the Housing Authority and the Directors of Kewanee Homes, Incorporated all served without pay. The Directors included Robert P. Hatcher, president, Arthur Cook, Jack B. Ellis, Philip D. Adler, Clifford W. Dean, Roy L. Gabriel, Ed Peterson, Lawrence Strand, Wallace Redfield, Wilber Raley, Clayton Humphrey and W. C. Ewan. The State Housing Board and the Authority and corporation give a great deal of credit to FHA District Director Terhune for his personal interest and to his staff for co-operating beyond the limits of administrative procedures behind which they could have retreated in the manner of many public officials and employees.

Mayor Fred Brown, the Kewanee Councilmen and City Engineer Nick Fischer likewise took an interest and contributed personal services beyond the necessities of official duties.

- END -







Suppertime finds space for four or more persons in the dining area.



The kitchen, was built functionally, without wasted space and needless steps.



The 2 bedrooms were built spaciouly, with ample windows and closet space.



A different approach in using the dining area, makes this corner a reading nook.

(LEFT) A recent air-view outlining Eastlawn, in the foreground, with Kewanee proper  $\frac{1}{2}$  mile to the North.

(RIGHT) With the modern woman's touch, the living room is turned into a showplace.



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